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Federal Communications Commission
Office of the Secretary

Media Democracy's Moment

by ROBERT W. MCCHESENEY & JOHN NICHOLS

[from the February 24, 2003 issue]

In an era when the influence of corporations on government decision-making rivals the power of the trusts in the Gilded Age, something remarkable is taking place: a democratic revolution against media consolidation. At the prodding of media activists, working journalists and musicians who argue that corporate consolidation is undermining democracy and culture, members of Congress and the Federal Communications Commission are beginning to reassert the all-but-forgotten principle that decisions about media ownership should take into account the public interest, and they have started asking tough questions about one of the biggest and most significant corporate giveaways in US history. "Something is definitely shifting in the country and in Washington," says Independent Representative Bernie Sanders of Vermont, who has argued for years that media consolidation is undermining democracy by putting more and more broadcast and cable outlets, newspapers and Internet sites into the hands of companies guided only by commercial and bottom-line values. "Where just a few years ago most people did not think about media as an issue, and most members of Congress shied away from talking about how our media is failing to serve the public interest in even the most basic sense, now there is a real dialogue going on. And that dialogue is critical because it is forcing the FCC commissioners to listen to people other than industry lobbyists."

The immediate issue is a critical one: the FCC's forthcoming vote on whether to relax or eliminate longstanding rules preventing media consolidation at both the local and national levels. These rules prevent one broadcast network from owning another broadcast network, limit the number of local broadcast stations that any one broadcaster can own to systems serving 35 percent of the TV-viewing households in the United States, prohibit a company from owning cable TV systems and TV stations in the same community, and prohibit ownership of newspapers and TV stations in the same community, among other things. If they are lifted, or even relaxed, business analysts are unanimous in predicting, a wave of media mergers will dwarf the merger mania of the 1990s. If these mergers go forward, cities across the United States will find themselves with one or two firms dominating nearly all of their media. Think company town in the marketplace of ideas.

The nation's largest communications corporation giants are using all their lobbying muscle to ram the changes through the FCC, and to win Congressional consent to additional assaults on public-interest protections. A joint statement filed with the FCC by Fox, NBC (Telemundo) and Viacom (CBS) argues that "there is no longer any public-interest need served by the commission's ownership rules." Their line,

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according to Charles Lewis of the Center for Public Integrity, has been backed up for years by an intensive lobbying campaign that uses more lobbyists and spends more money than securities and investment firms or unions to influence federal decision-making. Lewis notes that between 1995 and 2000 the industry took FCC employees on 1,460 all-expenses-paid trips, and between 1997 and 2000 paid for 315 junkets for members of Congress and senior staffers. Toss in a steady stream of campaign contributions--more than \$1 million by Viacom alone to Congressional candidates in 2002, and roughly \$75 million from media giants and their organizations between 1993 and 2000--and it is no wonder that, as Lewis says, "a regulated industry has a stranglehold over the regulator and its Congressional overseers." Considering the lack of coverage by the major TV and cable news networks of the FCC and Congressional deliberations on ownership issues, it is difficult to challenge Lewis's assertion that "not only does the media aggressively lobby and contribute to the two political parties and politicians at the federal level, they also decide whose face and voice make it onto the airwaves. Such raw power provokes fear and trepidation in the political realm."

No wonder there was a general sense that the fix was in when the FCC last year announced its plan to review the rules. The review was required by the 1996 Telecommunications Act and by aggressively pro-industry judges on the federal appellate court. FCC chair Michael Powell had already declared, "I start with the proposition that the rules are no longer necessary." For years, Powell had positioned himself as an outspoken believer in a model of regulation that assumes that when firms make enormous profits it is a sign they are satisfying free-market demands. Powell and two other Republicans form the majority on the five-member FCC.

However, the public interest has made a comeback. The commission received roughly 2,000 comments--overwhelmingly negative--on the proposed rules changes by the January 2 close of the official comment period, and it was flooded with more in the following weeks. Grassroots activists, many of them veterans of the Independent Media Center movement and the frustrating struggle to open the airwaves to community-based microradio stations, as well as the Newspaper Guild and other media unions, public interest groups such as the Consumers Union, the Center for Digital Democracy and such unexpected allies as conservative columnist William Safire, built a loose-knit movement that made enough noise to be heard on Capitol Hill--where House Democrats Maurice Hinchey and Sherrod Brown and Bernie Sanders circulated a letter expressing concern about the rush to eliminate ownership rules. The ranking members of the Senate subcommittee that deals with antitrust and competition issues, Republican Mike DeWine and Democrat Herb Kohl, urged the FCC to "support the public interest in diverse media ownership." In the most powerful sign yet that activists are having a significant impact, Michael Powell was grilled January 14 by members of the Senate Commerce Committee on the proposed rules changes. "If the commission is heading toward eliminating some of the barriers to additional concentration, that is a huge mistake," said North Dakota Democrat Byron Dorgan, who noted that all of the commercial radio stations in Minot, one of the largest cities in his state, are already owned by a single company. Democrat Ron Wyden told Powell, "It seems to me...that what the commission is going to do is shift policy so that one company could own everything in town" in communities across America. Wyden then asked Powell if he was concerned about the fact that one corporation, Clear Channel, has since 1996--when radio ownership rules were loosened--gone from owning a handful of stations to more than 1,200 nationally. Powell, who once claimed "the market is my religion," surprised everyone by answering, "Candidly, I am troubled.... I am concerned about media concentration, particularly in radio."

Powell, whose political ambitions are no secret, recognizes that when even conservatives are arguing that deregulation is damaging democracy ("the truth is that media mergers have narrowed the range of information and entertainment available to people of all ideologies," wrote Safire in a recent *New York*

Times column), it's time to pull out the moderate rhetoric. But that doesn't mean Powell has abandoned his commitment to relaxing rules. Two days after the Senate session, at a hearing at the Columbia University School of Law organized in response to commissioner Michael Copps's call for broader debate on the proposed rules changes, Powell tried to describe the current process as "a routine event." Copps shot back that there is nothing routine about what's being considered. Recounting how ill-thought-out rules changes in the Telecommunications Act had created a circumstance where "the majority of radio markets today are dominated by oligopoly," Copps said the FCC is in the midst of a "watershed" debate over "whether to visit upon the rest of the broadcast media that which we have already visited upon radio--and much, much more."

Copps and another Democratic appointee to the FCC, Jonathan Adelstein, have emerged as the commission's most consistent questioners of moves to ease ownership rules, and the loudest advocates of allowing time for more research and public input before the vote, now expected to take place by early summer. Universities have begun to respond to Copps's call for more forums--the next is on February 18 at the University of California's Annenberg School of Communications--and FCC staffers say they're now being deluged with requests from around the country.

Though Powell and the two other Republican-sponsored commissioners, Kevin Martin and Kathleen Abernathy, have agreed to attend at least some of the informal hearings, the FCC appears to be sticking with a plan to hold only one official public hearing, on February 27 in Richmond, Virginia. Once viewed as perfunctory, the hearing is now shaping up as a major focus of dissent. Activists with the Prometheus Radio Project and other reform groups plan to rent buses and converge on Richmond--a level of engagement that would have been unimaginable just a few years ago.

The rising citizen interest has inspired members of Congress to begin shaping legislation designed to prevent more consolidation and to start reversing at least some of what has already occurred. GOP Senator John McCain, the new chair of the Senate Commerce Committee, which oversees the FCC, grilled representatives of the Clear Channel conglomerate and the National Association of Broadcasters at a January 30 committee hearing and says that media consolidation is going to be one of his hot-button issues for 2003. McCain replaces Democrat Ernest Hollings, who along with Sanders has been one of the few Congressmen willing to take on the lobby. Representative John Conyers, the ranking Democrat on the House Judiciary Committee, is examining the prospect of challenging broadcast monopolies, while GOP Representative Mark Foley is talking about the need for Congress to assure that citizens have access to information about policy and politics. And McCain's campaign-finance-reform comrade, Democratic Senator Russ Feingold, has written legislation that would prevent the FCC from removing remaining limits on the number of radio stations a corporation can own in one community.

Feingold's Competition in Radio and Concert Industries Act would also strengthen the FCC's merger review process by requiring the commission to scrutinize mergers of radio station ownership groups if those mergers might allow the new conglomerate to reach more than 60 percent of the nation's radio listeners. "The last time I checked, radio airwaves continued to be owned by the public," says Feingold, whose legislation has drawn broad support from musicians, media unions and consumer groups. "We need to remind the FCC that radio is a public medium. It must serve the public good." In a January speech that linked the struggle for media reform to broader efforts to renew American democracy the senator argued, "People should have choices, listeners should have a diversity of options, and Americans should be able to hear new and different voices. Radio allows us to connect to our communities, to our culture and our democracy. It is one of the vibrant mediums we have for the exchange of ideas, and for artistic expression. We must fight to preserve it."

Michael Bracy, director of government relations for the Future of Music Coalition, which recently produced a devastating study of the dearth of diversity in the radio industry, says it is time to start thinking about the fight for media democracy--starting with the upcoming FCC vote--as a winnable one. "I don't believe Michael Powell wants to make these sweeping rules changes on 3-to-2 votes, and it is not at all clear that there is a consensus for the changes anymore," Bracy says. "In fact, there might even be a consensus emerging in opposition to at least some of the changes." He adds, "I think Powell and the other commissioners are going to be under pressure from people in the Bush Administration who want these changes. But with the kind of activism we are seeing, and with so many members of Congress starting to speak up, it is no longer a foregone conclusion that we are going to see these rules rewritten. It is no longer a foregone conclusion that we are going to have to accept even more consolidation."

The battle over media ownership that will be waged over the next few months will be a different one than even the most optimistic critics of corporate media would have imagined just a few months ago. The outcome is very much up for grabs, and the revolution is still not being televised. But the window of opportunity for genuine media reform has been opened.